

## § 1951.469

the borrower's account prior to loan closing. Authorized selling expenses will not be considered or included in the amount assumed. Release from liability is not authorized.

### § 1951.469 Actions after liquidation of property.

(a) [Reserved]

(b) *Servicing unsatisfied account balances.* A current financial statement will be obtained, if possible, when application of sale proceeds does not satisfy an NP loan; or if a conveyance to FmHA or its successor agency under Public Law 103-354 has been accepted and credit of the market value less prior liens and estimated inventory handling expenses does not satisfy the debt, FmHA or its successor agency under Public Law 103-354 will pursue collection if there appears to be income or assets from which to collect. Where the borrower owns other real estate, or if the borrower is known to be in the process of purchasing other real estate (such as another dwelling), a judgment for the remaining debt including expenses paid by FmHA or its successor agency under Public Law 103-354 will be sought.

(c) [Reserved]

### §§ 1951.470–1951.478 [Reserved]

### § 1951.479 Pilot projects.

From time to time FmHA or its successor agency under Public Law 103-354 conducts pilot projects to test concepts related to the management and/or sale of SFH inventory property which may deviate from the provisions of this subpart, but will not be inconsistent with provisions of the authorizing statutes, or other Acts affecting FmHA or its successor agency under Public Law 103-354's loan programs. Prior to initiation of a pilot project, FmHA or its successor agency under Public Law 103-354 will publish in the FEDERAL REGISTER a Notice outlining the nature, scope, and duration of the pilot. The pilot projects may be handled by FmHA or its successor agency under Public Law 103-354 employees and/or under contract with persons, firms, or other entities in the private sector.

## 7 CFR Ch. XVIII (1–1–07 Edition)

### § 1951.480 [Reserved]

### § 1951.481 FmHA or its successor agency under Public Law 103-354 Instructions.

Detailed FmHA or its successor agency under Public Law 103-354 Instructions for administering this subpart are available in any FmHA or its successor agency under Public Law 103-354 office (FmHA or its successor agency under Public Law 103-354 Instruction 1951-J).

### §§ 1951.482–1951.500 [Reserved]

## Subpart K [Reserved]

## Subpart L—Servicing Cases Where Unauthorized Loan or Other Financial Assistance was Received—Farmer Programs

SOURCE: 50 FR 45777, Nov. 1, 1985, unless otherwise noted.

### § 1951.551 Purpose.

This subpart prescribes the policies and procedures for servicing insured Operating (OL), Farm Ownership (FO), Soil and Water (SW), Recreation (RL), Emergency (EM), Economic Emergency (EE), Special Livestock (SL), Softwood Timber (ST), Economic Opportunity (EO) loans, and Rural Housing loans for farm service buildings (RHF) (referred to as farmer program (FP) loans), when it is determined that the borrower was not eligible for all or part of the financial assistance received in the form of a loan or subsidy granted. It does not apply to guaranteed loans.

[52 FR 26138, July 13, 1987]

### § 1951.552 Definitions.

As used in this subpart, the following definitions apply:

(a) *Active borrower.* A borrower who has an outstanding account in the records of the Finance Office, including collection-only or an unsatisfied account balance where a voluntary conveyance was accepted without borrower being released from liability or where liquidation did not satisfy the indebtedness.